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ALCTS AUTOMATED ACQUISITIONS DISCUSSION GROUP
THE AUDIT TRAIL AND AUTOMATED ACQUISITIONS:
SEARCHING FOR ROAD SIGNS

EDI, THE AUDIT TRAIL AND AUTOMATED ACQUISITIONS: REPORT OF A PRESENTATION

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Fritz Schwartz, Manager, Electronic Data Interchange (EDI), The Faxon Company, was the final presenter in the ALCTS Automated Acquisitions Discussion Group program at the 1994 ALA Midwinter Meeting. Schwartz addressed his remarks in six areas: definitions of EDI and financial EDI (FEDI), general benefits of EDI and FEDI, relevance of FEDI to library finances, necessary steps for a library to implement FEDI, the status of EDI and FEDI in the library/publishing community, and some general conclusions. He began with a definition:

Electronic Data Interchange (EDI) is the transmission, in a standard syntax, of unambiguous information of business or strategic significance, between computers of independent organizations.

EDI is characterized by its machine-to-machine, process-to-process nature with no human intervention or interpretation. The interchange is performed according to accredited standards, specifically ANSI X12 (American National Standards Institute, New York) in the United States. The transfer is not ASCII file transfer, not a fax, and not an electronic mail message. Instead, it is transaction-based and is not generally archived data.

Schwartz articulated four general benefits of EDI: reduction in work duplication, savings in time and money, increase in accuracy, and encouragement of totally new services. Standard EDI messages (or transaction sets) can be used to transmit invoices, purchase orders, prices/sales catalogs, ship-notice manifests, student loan applications, and over 250 other applications. It is possible to see from this brief list a number of transactions that are applicable to library acquisitions. Implementation of EDI can be accomplished between any two willing trading partners such as book vendors, subscription agents, libraries, etc. The trading partners need only to agree on the content, structure or format, medium, vehicle, and process of transmission.

Financial EDI (FEDI) is information passed between banks and trading partners that relates directly or closely to payments and bank balances. Basically, FEDI is just a particular kind of EDI. Specifically, FEDI occurs between an organization and its bank (or funding organization); it involves transfer of information *not* the actual transfer of funds and is directly or closely related to payment. As a subset of EDI, FEDI transaction sets comprise invoices, remittance advice (information to your partner that you will be paying), and payment orders (instructions to your bank to pay). In addition to the general benefits associated with EDI, FEDI permits efficient

resolution of discrepancies and shortens the total payment cycle. FEDI can be of benefit to library finances in five specific ways —it:

1. eliminates rekeying and filing paper invoices;
2. permits electronic payment orders to financial institutions;
3. permits electronic remittance advice to suppliers;
4. permits timely resolution of discrepancies; and
5. permits exchanging electronic financial reports.

In order for a library to implement FEDI, it must follow a number of sequential steps:

1. Develop or obtain software capable of loading and extracting relevant information to/from the library database
2. Form a relationship with a FEDI-capable financial institution
3. Form a relationship with a FEDI-capable supplier
4. Obtain X12 translation software
5. Subscribe to an X12-capable value-added network (VAN) —not the Internet

Schwartz next addressed the question of why value-added networks (VANS) and not the Internet were being used. According to Schwartz, the Internet cannot easily carry either X12 or X.400 messages. The Internet is also incompatible with any off-the-shelf X12 translator. The Internet has a very weak organizational infrastructure, i.e., no help desk, no contract, no sales representatives, and no clear responsibility. Finally, the Internet is not designed to carry commercial/financial traffic, nor is it cost effective for EDI at this time.

In contrast, commercial VANS are explicitly designed technically to carry X12 messages either as X12 or X.400. VANS are compatible with all good off-the-shelf X12 translators. VANS have very strong, dependable, and competing organizational infrastructures including help desks, contracts, sales representatives, and very clear responsibility. Finally, VANS are designed in every way to carry commercial/financial traffic and are very cost effective for EDI.

Schwartz also provided a list of trading partners in the library acquisition and automation business currently using or planning for EDI. Publishers exchanging EDI production records in X12 include: Elsevier and Pergamon, John Wiley, Turpin Transactions and the Royal Society of Chemistry, and Academic Press. Agents exchanging EDI production records in X12 include: Blackwell and Readmore, Dawson, EBSCO, and Faxon and Turner. Library systems vendors involved in ANSI X12 EDI production include Comstow, Innovative Interfaces, and NOTIS, though none are directly involved with translator software. MSUS/PALS is also involved in EDI production and is directly involved with translator software. Integrated library systems vendors soon to be exchanging EDI records in X12 include: CAR1 Corporation, Geac/Advance, and SIRSI. ILS vendors with substantive X12 projects underway include: Data Trek, Dynix/Classic, Georgetown, NOTIS/Horizon, and VTLS. Client sites involved in exchanging full production X12 records include: Dartmouth College, Digital Equipment Corporation, Concordia College, Moorhead State University, North Dakota State University, and University of Minnesota, Minneapolis. Schwartz ended his remarks with a few basic conclusions about EDI and FEDI:

1. EDI in general is capable of yielding tremendous benefits to libraries and suppliers.
2. FEDI is a subset of EDI.

3. Barriers to implementation are logistical and organizational, not primarily technical.
4. The most difficult hurdle is that of the ability of the respective systems.
5. The most effective forums for solving these problems are industry associations such as SISAC.